

**Financial Results for the Fiscal Year Ended March 31, 2026**  
**[J-GAAP]**  
**(Consolidated)**



May 14, 2026

Company name: KPP GROUP HOLDINGS CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9274

URL: <https://www.kpp-gr.com/>

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Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2026

Scheduled date of commencing dividend payments: June 29, 2026

Scheduled date of filing the securities report: June 23, 2026

Preparation of supplementary explanatory materials for financial results: Yes

Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025, to March 31, 2026)**

(1) Consolidated Operating Results (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	650,368	(2.9)	10,075	(25.6)	6,175	(36.4)	5,618	(29.7)
Fiscal year ended March 31, 2025	670,042	4.0	13,544	(14.4)	9,712	(22.1)	7,986	(24.8)

(Note) Comprehensive income: Fiscal year ended March 31, 2026: 8,715 million yen (7.3%)  
Fiscal year ended March 31, 2025: 8,122 million yen (down 54.1%)

	Basic earnings per share	Diluted earnings per share	Profit to shareholders' equity	Total assets Ordinary profit margin	Net sales Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	87.44	-	6.4	1.7	1.5
Fiscal year ended March 31, 2025	118.00	-	9.5	2.8	2.0

(Reference) Equity in net income of affiliates: Fiscal year ended March 31, 2026: 39 million yen  
Fiscal year ended March 31, 2025: 71 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2026	374,708	89,454	23.9	1,435.09
Fiscal year ended March 31, 2025	352,035	86,216	24.5	1,305.61

(Reference) Equity: As of March 31, 2026: 89,437 million yen  
As of March 31, 2025: 86,122 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2026	19,814	(11,109)	(8,118)	12,630
Fiscal year ended March 31, 2025	11,169	(16,644)	(11,190)	11,316

## 2. Dividends

	Annual dividends					Total amount of annual dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	-	16.00	-	18.00	34.00	2,321	28.8	2.7
Fiscal year ended March 31, 2026	-	18.00	-	18.00	36.00	2,343	41.2	2.6
Fiscal year ending March 31, 2027 (Forecast)	-	20.00	-	20.00	40.00		51.4	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	710,000	9.2	11,000	9.2	6,500	5.3	5,000	(11.0)	77.82

### \*Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 15 companies (Fortuna Digital Holding, Fortuna Digital Austria, Fortuna Digital BIH, Fortuna Digital Croatia, Fortuna Digital Hungary, Fortuna Digital Serbia, Fortuna Digital Slovenia, Club Groupe S.A.S, Digital Printing France S.A.S, Technical Digital Printing S.A.S, Texo Group B.V., Texo Trade Services B.V., Texopaper B.V., Collina Equipment B.V., Texo Trade Services GmbH)

Excluded: 4 companies (ANTALIS GROUP (PRIVATE UNLIMITED COMPANY), ANTALIS OVERSEAS HOLDINGS LIMITED, ANTALIS HOLDINGS LIMITED, ANTALIS GROUP (HOLDINGS) LIMITED)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

Fiscal year ended March 31, 2026 67,244,284 shares

Fiscal year ended March 31, 2025 67,244,284 shares

2) Total number of treasury shares at the end of the period:

Fiscal year ended March 31, 2026 4,922,351 shares

Fiscal year ended March 31, 2025 1,281,174 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2026 64,250,166 shares

Fiscal year ended March 31, 2025 67,684,097 shares

**(Reference) Summary of Non-Consolidated Financial Results**

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025, to March 31, 2026)

(1) Non-Consolidated Operating Results (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	6,292	(23.6)	3,413	(36.4)	3,875	(31.6)	5,458	(21.4)
Fiscal year ended March 31, 2025	8,234	145.9	5,368	-	5,667	868.3	6,948	546.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2026	84.95	-
Fiscal year ended March 31, 2025	102.66	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2026	91,079	47,962	52.7	769.59
Fiscal year ended March 31, 2025	95,458	47,434	49.7	719.11

(Reference) Equity: As of March 31, 2026: 47,962 million yen

As of March 31, 2025: 47,434 million yen

\* These consolidated financial results are outside the scope of audits by certified public accountants or auditing firms.

\* Explanation of the proper use of financial results forecast and other notes

(Cautionary notes regarding forward-looking statements)

The results forecast and other forward-looking statements contained in this document are based on the information currently available to the Company and certain assumptions deemed to be reasonable, and are not intended as a guarantee that the Company will achieve them. Actual results may differ significantly due to various factors. For assumptions for the results forecast and points to consider in utilizing them, please see “(4) Future Outlook” in “1. Overview of Operating Results, Etc.” of the attachments.

(How to obtain supplementary explanatory materials for financial results)

The Company plans to hold a briefing for institutional investors and analysts on Wednesday, May 20, 2026. The explanatory materials for financial results distributed at the briefing will be posted on the Company’s website after the announcement of financial results.

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## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Current Fiscal Year

#### (a) Status of Operating Results

Effective from the fiscal year under review, the Company launched its new long-term management visions toward 2030, namely “GIFT 2030” and the “KPP Group Sustainability Vision 2030,” as well as the “Fourth Medium-Term Business Plan” with the fiscal year ending March 31, 2028, as its final year. Under this plan, the Company has identified four key initiatives: expansion of business domains, transformation of the business portfolio, pursuit of global synergies, and expansion of e-business and promotion of digital transformation (DX). Guided by these initiatives, the Company is driving the diversification of its business portfolio, extending its reach beyond paper and paperboard to include packaging, visual communications, paper raw materials (pulp and waste paper), and environment-related businesses.

In 2025, the initial year of the plan, while the global economy maintained a moderate recovery, uncertainty heightened due to the impact of U.S. tariffs and mounting geopolitical risks. In some countries and regions, rising prices restrained personal consumption, and these factors resulted in a challenging market environment. Amid these macroeconomic conditions, the paper business experienced a global downturn in demand for graphic paper. Additionally, falling prices in Europe and China into the second half of the fiscal year weighed on performance, which led to a decline in net sales and gross profit. Meanwhile, in the visual communications business, net sales and gross profit increased year on year, bolstered by steady demand and contributions from companies acquired through M&A. In the packaging business, despite flat industrial demand in some regions, net sales and gross profit increased. This performance was driven by strong retail demand, particularly for food applications in the Asia-Pacific region, and the inclusion of companies acquired through M&A in the previous fiscal year.

Overall, due to the slump in the paper business, the Group’s consolidated net sales for the fiscal year ended March 31, 2026 were 650,368 million yen (down 2.9% year on year). Operating profit was 10,075 million yen (down 25.6% year on year), ordinary profit was 6,175 million yen (down 36.4% year on year), and profit attributable to owners of parent was 5,618 million yen (down 29.7% year on year).

Results by segment for the fiscal year ended March 31, 2026 are as follows.

#### (b) Overview by Segment

Segment results were as follows.

##### <Northeast Asia>

In the paper and paperboard business, sales volume for paper fell below the previous year’s level due to weakening demand for graphic paper, which led to a decrease in net sales and gross profit. In the paperboard segment, sales volume, net sales, and gross profit all exceeded the previous year’s level due to steady domestic demand for containerboard and an increase in exports. As for boxboards, sales volume, net sales, and gross profit also surpassed the previous year’s level due to increased demand related to inbound tourism and trading card games. In the paper raw materials segment, while sales volume for waste paper remained at the same level as the previous year, net sales and gross profit were dragged down by the impact of the prolonged market slump. Both sales volume and net sales of commercial pulp declined, yet gross profit outperformed the previous year’s level.

There was no full-scale recovery in China, as the supply-and-demand environment showed no improvement.

Overall, net sales for the fiscal year ended March 31, 2026 were 285,189 million yen (down 6.1% year on year) and operating profit came to 1,872 million yen (down 35.3% year on year), both of which were pulled down by the decline in the paper segment.

#### <Europe/Americas>

In the paper business, both net sales and gross profit fell below the previous year's level due to sluggish demand and falling sales prices. In the packaging business, although net sales decreased year on year due to lackluster performance in the manufacturing industry in some regions, gross profit remained flat year on year, supported by earnings contributions from companies acquired in the previous fiscal year. In the visual communications business, both net sales and gross profit surpassed the previous year's level due to strong hardware sales, in addition to the earnings contributions of Club Groupe, Fortuna Digital Holding (formerly Fortuna Komers d.o.o.), and Texo Group, which were acquired during the fiscal year under review.

Overall, these results were insufficient to offset the decline in the paper business. Consequently, net sales for the fiscal year ended March 31, 2026 were 298,997 million yen (up 0.2% year on year), and operating profit came to 5,818 million yen (down 25.0% year on year).

#### <Asia Pacific>

In the paper business, sales volume, net sales, and gross profit all fell below the previous year's level due to the sluggish recovery in demand for commercial printing and paperboard products. In the packaging business, both net sales and gross profit significantly surpassed the previous year's level. This performance was driven by the strong performance of Signet Pty Ltd., which was acquired in the previous fiscal year, as well as contributions from the business acquired from ABL Distribution Pty Ltd during the fiscal year under review. In the visual communications business, both net sales and gross profit surpassed the previous year's level due to growing sales of hardware, primarily printing machines, and rigid media such as panels and point-of-purchase (POP) materials, in Australia and Southeast Asia.

However, due to exchange rate fluctuations, net sales and operating profit in yen terms for the fiscal year ended March 31, 2026 were 64,659 million yen (down 2.7% year on year) and 2,807 million yen (down 6.5% year on year), respectively.

#### <Real Estate Leasing>

Demand for office space in 2025 remained stable overall. Supported by this high occupancy, rental revenue increased slightly from the previous year. In terms of profits, efforts to manage costs such as repair and other expenses resulted in a year-on-year increase.

As a result, net sales for the fiscal year ended March 31, 2026 were 1,521 million yen (up 1.2% year on year), and operating profit came to 625 million yen (up 3.8% year on year).

#### (2) Overview of Financial Position for the Current Fiscal Year

Total assets at the end of the fiscal year under review were 374,708 million yen, up 22,672 million yen from the end of the previous fiscal year. This was mainly due to increases in merchandise and finished goods and property, plant and equipment.

Liabilities were 285,253 million yen, up 19,434 million yen from the end of the previous fiscal year. This was due mainly to increases in short-term borrowings and lease obligations.

Net assets came to 89,454 million yen, up 3,237 million yen from the end of the previous fiscal year. This was due mainly to the recording of profit attributable to owners of parent and foreign currency translation adjustment. As a result, the equity ratio was 23.9%, down 0.6 points from the end of the previous fiscal year.

#### (3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the fiscal year under review (hereinafter referred to as "funds") were 12,630 million yen, up 1,314 million yen from the end of the previous fiscal year. This was mainly due to funds generated from profit before income taxes, a decrease in trade receivables, and an increase in short-term borrowings, despite the use of funds for the acquisition of shares of subsidiaries and repayment of long-term borrowings.

Funds provided by operating activities totaled 19,814 million yen (funds provided by operating activities of 11,169 million yen for the previous fiscal year). This was mainly due to the recording of profit before income taxes and a decrease in trade receivables.

Funds used in investing activities totaled 11,109 million yen (funds used in investing activities of 16,644 million yen for the previous fiscal year). This was mainly due to purchases of shares of subsidiaries and non-current assets.

Funds used in financing activities totaled 8,118 million yen (funds used in financing activities of 11,190 million yen for the previous fiscal year). This was mainly due to the repayment of long-term borrowings and lease obligations.

#### (4) Future Outlook

The consolidated results forecast for the fiscal year ending March 31, 2027 is as follows.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Results forecast for the fiscal year ending March 31, 2027	710,000	11,000	6,500	5,000
Operating results for the fiscal year ended March 31, 2026	650,368	10,075	6,175	5,618
Changes	59,631	924	324	(618)

In the paper business, we expect to secure profit by expanding our market share, despite a decline in demand for graphic paper and higher procurement costs in each segment region. In the packaging and visual communications businesses in Europe, the Americas, and Asia Pacific, the contribution of operating companies acquired through M&A and increasing the share of e-commerce sales is projected to offset the decline in the paper business.

#### \*Notes on forward-looking information

Regarding the fiscal year ending March 31, 2027, the outlook for the situation in the Middle East is a major cause for concern, and its future direct and indirect impacts remain uncertain. Accordingly, the results forecast and other forward-looking statements contained herein are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors, and the forecast and other forward-looking statements are not intended as a guarantee that the Company will achieve them.

#### 2. Basic Approach to the Selection of Accounting Standards

For the time being, the Group has a policy to prepare consolidated financial statements in accordance with Japanese GAAP, taking into account the comparability of consolidated financial statements over time and among entities.

Regarding the adoption of International Financial Reporting Standards (IFRS), the Group will respond appropriately in consideration of various domestic and international conditions.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
<b>Assets</b>		
Current assets		
Cash and deposits	11,319	12,633
Notes receivable–trade	5,429	3,044
Accounts receivable–trade	109,733	106,829
Electronically recorded monetary claims - operating	21,906	24,432
Merchandise and finished goods	72,493	77,230
Other	16,426	17,930
Allowance for doubtful accounts	(5,997)	(6,064)
Total current assets	231,312	236,036
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,793	7,893
Machinery, equipment and vehicles, net	3,192	3,938
Tools, furniture and fixtures, net	2,608	2,556
Land	8,999	10,754
Leased assets, net	315	476
Right-of-use assets, net	29,684	37,493
Construction in progress	58	78
Total property, plant and equipment	52,651	63,191
Intangible assets		
Goodwill	11,374	14,917
Software	9,954	10,896
Customer-related assets	5,750	8,021
Other	2,791	3,320
Total intangible assets	29,870	37,155
Investments and other assets		
Investment securities	19,603	19,293
Long-term loans receivable	2	4
Deferred tax assets	5,582	5,738
Retirement benefit asset	11,310	11,664
Other	10,246	9,993
Allowance for doubtful accounts	(8,544)	(8,369)
Total investments and other assets	38,201	38,325
Total non-current assets	120,723	138,672
Total assets	352,035	374,708

(Million yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	91,881	92,036
Electronically recorded obligations - operating	3,518	1,750
Short-term borrowings	40,086	56,443
Commercial paper	14,000	13,000
Advances received	2,468	2,445
Lease obligations	7,496	8,978
Income taxes payable	1,859	2,538
Provision for bonuses	3,457	3,202
Provision for bonuses for directors (and other officers)	103	76
Provision for point card certificates	17	15
Provision for product warranties	38	36
Provision for loss on business liquidation	1,016	959
Reserve for shareholder benefits	61	60
Provision for risk costs	165	16
Other	27,959	28,583
Total current liabilities	194,130	210,145
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	12,701	7,298
Lease obligations	24,750	31,745
Deferred tax liabilities	7,525	8,351
Provision for retirement benefits for directors (and other officers)	3	5
Provision for share awards for directors (and other officers)	280	340
Provision for risk costs	994	1,050
Retirement benefit liability	2,117	2,464
Asset retirement obligations	445	480
Other	2,870	3,371
Total non-current liabilities	71,688	75,107
Total liabilities	265,818	285,253
Net assets		
Shareholders' equity		
Capital stock	4,723	4,723
Capital surplus	3,221	3,148
Retained earnings	67,733	70,954
Treasury shares	(650)	(3,575)
Total shareholders' equity	75,028	75,250
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,951	6,331
Deferred gains or losses on hedges	9	(26)
Foreign currency translation adjustment	10,139	15,437
Remeasurements of defined benefit plans	(5,007)	(7,556)
Total accumulated other comprehensive income	11,093	14,187
Non-controlling interests	94	16
Total net assets	86,216	89,454
Total liabilities and net assets	352,035	374,708

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

	(Million yen)	
	Previous Fiscal Year (April 1, 2024, to March 31, 2025)	Current Fiscal Year (April 1, 2025, to March 31, 2026)
Net sales	670,042	650,368
Cost of sales	540,925	520,325
Gross profit	129,116	130,042
Selling, general and administrative expenses		
Selling expenses	20,186	21,083
Employees' salaries and allowances	43,890	46,299
Provision for bonuses	3,419	2,968
Provision for bonuses for directors (and other officers)	103	74
Retirement benefit expenses	1,138	363
Provision for allowance for doubtful accounts	223	168
Provision for retirement benefits for directors (and other officers)	0	1
Provision for share awards for directors (and other officers)	60	68
Provision for shareholder benefit program	61	60
Other	46,488	48,877
Total selling, general and administrative expenses	115,572	119,966
Operating profit	13,544	10,075
Non-operating income		
Interest income	292	289
Dividend income	497	535
Share of profit of entities accounted for using equity method	71	39
Reversal of allowance for doubtful accounts	376	210
Other	423	418
Total non-operating income	1,661	1,494
Non-operating expenses		
Interest expense	2,711	3,130
Loss on sale of trade receivables	1,587	959
Foreign exchange losses	172	316
Insurance expenses	519	466
Other	502	521
Total non-operating expenses	5,492	5,394
Ordinary profit	9,712	6,175

(Million yen)

	Previous Fiscal Year (April 1, 2024, to March 31, 2025)	Current Fiscal Year (April 1, 2025, to March 31, 2026)
Extraordinary income		
Gain on sale of non-current assets	175	349
Gain on sale of investment securities	1,816	1,633
Gain on bargain purchase	-	113
Settlement gain	-	800
Other	0	48
Total extraordinary income	1,993	2,945
Extraordinary losses		
Loss on sale of non-current assets	9	6
Loss on retirement of non-current assets	70	2
Impairment loss	35	710
Loss on valuation of investment securities	124	-
Other	0	8
Total extraordinary losses	239	727
Profit before income taxes	11,466	8,393
Income taxes—current	3,561	3,393
Income taxes—deferred	(87)	(622)
Total income taxes	3,474	2,771
Profit	7,992	5,621
Profit attributable to non-controlling interests	5	3
Profit attributable to owners of parent	7,986	5,618

## Consolidated Statements of Comprehensive Income

(Million yen)

	Previous Fiscal Year (April 1, 2024, to March 31, 2025)	Current Fiscal Year (April 1, 2025, to March 31, 2026)
Profit	7,992	5,621
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,950)	380
Deferred gains or losses on hedges	107	(35)
Foreign currency translation adjustment	3,422	5,267
Remeasurements of defined benefit plans, net of tax	(1,528)	(2,549)
Share of other comprehensive income of entities accounted for using equity method	78	30
Total other comprehensive income	129	3,093
Comprehensive income	8,122	8,715
Comprehensive income attributable to		
Owners of parent	8,116	8,711
Non-controlling interests	5	3

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (April 1, 2024, to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,723	7,292	61,631	(2,799)	70,848
Changes during period					
Dividends of surplus			(1,883)		(1,883)
Profit attributable to owners of parent			7,986		7,986
Purchase of treasury shares				(1,998)	(1,998)
Cancellation of treasury shares		(4,071)		4,071	-
Disposal of treasury shares				76	76
Net changes in items other than shareholders' equity					
Total changes during period	-	(4,071)	6,102	2,149	4,180
Balance at end of period	4,723	3,221	67,733	(650)	75,028

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans		
Balance at beginning of period	7,902	(98)	6,638	(3,478)	88	81,900
Changes during period						
Dividends of surplus						(1,883)
Profit attributable to owners of parent						7,986
Purchase of treasury shares						(1,998)
Cancellation of treasury shares						-
Disposal of treasury shares						76
Net changes in items other than shareholders' equity	(1,950)	107	3,501	(1,528)	5	135
Total changes during period	(1,950)	107	3,501	(1,528)	5	4,316
Balance at end of period	5,951	9	10,139	(5,007)	94	86,216

Current fiscal year (April 1, 2025, to March 31, 2026)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,723	3,221	67,733	(650)	75,028
Changes during period					
Dividends of surplus			(2,397)		(2,397)
Profit attributable to owners of parent			5,618		5,618
Purchase of treasury shares				(2,933)	(2,933)
Disposal of treasury shares				8	8
Change in ownership interest of parent due to transactions with non-controlling interests		(73)			(73)
Net changes in items other than shareholders' equity					
Total changes during period	-	(73)	3,220	(2,925)	221
Balance at end of period	4,723	3,148	70,954	(3,575)	75,250

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans		
Balance at beginning of period	5,951	9	10,139	(5,007)	94	86,216
Changes during period						
Dividends of surplus						(2,397)
Profit attributable to owners of parent						5,618
Purchase of treasury shares						(2,933)
Disposal of treasury shares						8
Change in ownership interest of parent due to transactions with non-controlling interests					(81)	(155)
Net changes in items other than shareholders' equity	380	(35)	5,298	(2,549)	3	3,097
Total changes during period	380	(35)	5,298	(2,549)	(77)	3,237
Balance at end of period	6,331	(26)	15,437	(7,556)	16	89,454

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous Fiscal Year (April 1, 2024, to March 31, 2025)	Current Fiscal Year (From April 1, 2025, to March 31, 2026)
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,466	8,393
Depreciation	11,298	12,614
Impairment loss	35	710
Amortization of goodwill	1,433	1,514
Gain on bargain purchase	-	(113)
Share of loss (profit) of entities accounted for using equity method	(71)	(39)
Loss (gain) on valuation of investment securities	124	-
Increase (decrease) in retirement benefit liability	(1,470)	(842)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	1
Increase (decrease) in provision for share awards for directors (and other officers)	(16)	60
Increase (decrease) in provision for bonuses	(971)	(525)
Increase (decrease) in provision for bonuses for directors (and other officers)	(40)	(30)
Increase (decrease) in allowance for doubtful accounts	(573)	(561)
Increase (decrease) in provision for point card certificates	(0)	(1)
Interest and dividend income	(790)	(825)
Interest expense	2,711	3,130
Loss (gain) on sale and retirement of non-current assets	(95)	(340)
Loss (gain) on sale of investment securities	(1,816)	(1,633)
Decrease (increase) in trade receivables	9,785	9,866
Decrease (increase) in inventories	(1,082)	2,687
Decrease (increase) in other assets	(1,106)	1,765
Increase (decrease) in trade payables	(8,201)	(5,658)
Increase (decrease) in other liabilities	(2,959)	(3,950)
Increase (decrease) in provision for shareholder benefit program	-	(1)
Other	(154)	(1,032)
<b>Subtotal</b>	<b>17,505</b>	<b>25,185</b>
Interest and dividend income	821	853
Interest expense	(2,574)	(3,218)
Income taxes paid	(4,582)	(3,005)
<b>Cash flows from operating activities</b>	<b>11,169</b>	<b>19,814</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(256)	-
Proceeds from withdrawal of time deposits	295	41
Purchase of property, plant and equipment and intangible assets	(4,773)	(3,543)
Proceeds from sale of property, plant and equipment and intangible assets	378	783
Purchase of investment securities	(283)	(150)
Proceeds from sale of investment securities	2,949	2,667
Payments for acquisition of businesses	(1,738)	(2,314)
Loan advances	(3)	(853)
Proceeds from collection of loans receivable	23	372
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(13,236)	(8,183)
Other	2	70
<b>Cash flows from investing activities</b>	<b>(16,644)</b>	<b>(11,109)</b>

(Million yen)

	Previous Fiscal Year (April 1, 2024, to March 31, 2025)	Current Fiscal Year (From April 1, 2025, to March 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,474	15,759
Net increase (decrease) in commercial paper	2,000	(1,000)
Proceeds from long-term borrowings	6,216	5
Repayments of long-term borrowings	(14,957)	(9,594)
Repayments of lease obligations	(7,041)	(8,338)
Purchase of treasury shares	(1,998)	(2,398)
Dividends paid	(1,883)	(2,397)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(155)
Cash flows from financing activities	(11,190)	(8,118)
Effect of exchange rate changes on cash and cash equivalents	1,737	728
Net increase (decrease) in cash and cash equivalents	(14,928)	1,314
Cash and cash equivalents at beginning of period	26,244	11,316
Cash and cash equivalents at end of period	11,316	12,630

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Significant changes in the scope of consolidation during the period)

Fortuna Digital Holding and its subsidiaries—Fortuna Digital Austria, Fortuna Digital BIH, Fortuna Digital Croatia, Fortuna Digital Hungary, Fortuna Digital Serbia and Fortuna Digital Slovenia—were included in the scope of consolidation from the fiscal year under review since all of the shares of Fortuna Digital Holding (formerly Fortuna Komers d.o.o.) were acquired by Antalis S.A.S. Club Groupe S.A.S., Digital Printing France S.A.S. and Technical Digital Printing S.A.S., a subsidiary of Club Groupe S.A.S., were included in the scope of consolidation from the fiscal year under review since all of the shares of Club Groupe S.A.S. and Digital Printing France S.A.S. were acquired by Antalis France, an operating company of Antalis S.A.S. ANTALIS GROUP (PRIVATE UNLIMITED COMPANY), ANTALIS OVERSEAS HOLDINGS LIMITED, ANTALIS HOLDINGS LIMITED, and ANTALIS GROUP (HOLDINGS) LIMITED have been excluded from the scope of consolidation from the fiscal year under review due to completion of liquidation as part of a Group reorganization. Texo Group B.V. and its subsidiaries—Texo Trade Services B.V., Texopaper B.V., Collina Equipment B.V. and Texo Trade Services GmbH—were included in the scope of consolidation from the fiscal year under review since all of the shares of Texo Group B.V. were acquired by Antalis S.A.S.

(Additional Information)

Acquisition of Significant Assets

The Company transferred the land described in (2) below in February 2021. However, at a meeting of the Board of Directors held on March 26, 2026, the Company passed a resolution to acquire the beneficial interest in trust relating to such land, and entered into a trust beneficial interest transfer agreement dated March 31, 2026, with the transfer to be executed on June 30, 2026.

(1) Reason for the Acquisition

The Company decided to acquire the land (beneficial interest in trust) underlying the Company-owned building leased under the real estate leasing segment, on the grounds that this acquisition will improve the property's profitability and enable flexible sale of the land and building as an integrated property. Additionally, the acquisition is expected to be financed through new borrowings.

(2) Details of the Asset to Be Acquired

Details of beneficial interest in trust	Location	Acquisition price
Land: 1,158.74 m <sup>2</sup>	1-10-9 and 10, Kyobashi, Chuo-ku, Tokyo	19,850 million yen

\* The acquisition price was agreed upon between the parties based on the appraised value of the property.

(3) Impact on the Consolidated Financial Statements

With the acquisition of such beneficial interest in trust, land and borrowings on the consolidated balance sheet will increase in the following fiscal year, while the impact on the consolidated statements of income is expected to be immaterial.

(Segment Information, Etc.)

[Segment Information]

## 1 Outline of Reportable Segments

The Company's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in determining the allocation of management resources and in assessing performance.

The Group is developing business globally, mainly in the paper business, the packaging business and the visual communications business. Under the umbrella of the three regional headquarters of Kokusai Pulp & Paper Co., Ltd., Antalis S.A.S., and Spicers, each business plans a comprehensive strategy, etc. and operates in each region.

Accordingly, the Group consists of regional segments, and has designated the following four reportable segments: "Northeast Asia," "Europe/Americas," "Asia Pacific" and "Real Estate Leasing."

Details of business and major countries or regions of each reportable segment are as follows:

- Northeast Asia

Paper, paperboard, pulp, waste paper, and other paper-related materials are sold in Japan, China, Taiwan, Hong Kong, South Korea, and other countries.

- Europe/Americas

Paper, paperboard, and other paper-related materials are sold in France, the United Kingdom, Germany, Switzerland, Canada, Chile, and other countries.

- Asia Pacific

Paper, paperboard, pulp, waste paper, and other paper-related materials are sold in Australia, New Zealand, Singapore, and other countries.

- Real Estate Leasing

Real estate is leased in Japan.

## 2 Method Used to Calculate Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

The method of accounting for reportable business segments is generally the same as the one employed for preparing consolidated financial statements.

Profit in the reportable segments is based on operating profit.

Intersegment revenues and transfers are based on prevailing market prices.

3 Information on Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment  
Previous fiscal year (April 1, 2024, to March 31, 2025)

(Million yen)

	Reportable segment					Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Northeast Asia	Europe/ Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	303,649	298,460	66,428	1,504	670,042	-	670,042
Intersegment net sales or transfers	2,252	24	135	470	2,883	(2,883)	-
Total	305,902	298,484	66,563	1,975	672,925	(2,883)	670,042
Segment profit	2,895	7,757	3,000	602	14,255	(711)	13,544
Segment assets	138,007	129,994	54,010	13,330	335,343	16,691	352,035
Other items							
Depreciation	798	8,670	1,636	188	11,294	4	11,298
Amortization of goodwill	11	595	827	-	1,433	-	1,433
Investment in entities accounted for using equity method	1,667	-	-	-	1,667	-	1,667
Increase in property, plant and equipment and intangible assets	873	10,440	7,491	207	19,012	176	19,189

(Note) 1. Details of the adjustment are as follows.

- (1) The adjustment to segment profit of (711) million yen consists of intersegment eliminations of 782 million yen and corporate expenses of (1,493) million yen. Corporate expenses are mainly general and administrative expenses at administrative divisions of the head office that are not attributable to any reportable segment.
- (2) The adjustment to segment assets of 16,691 million yen consists of intersegment eliminations of (68,364) million yen and corporate assets of 85,056 million yen. Corporate assets are mainly surplus operating funds, long-term investment funds and assets related to administrative divisions of the head office that are not attributable to any reportable segment.

2. Segment profit is reconciled to operating profit in consolidated financial statements.
3. The increase in property, plant and equipment and intangible fixed assets does not include the amount of leased assets under IFRS 16 "Leases."

Current fiscal year (April 1, 2025, to March 31, 2026)

(Million yen)

	Reportable segment					Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Northeast Asia	Europe/ Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	285,189	298,997	64,659	1,521	650,368	-	650,368
Intersegment net sales or transfers	2,418	42	133	463	3,057	(3,057)	-
Total	287,607	299,039	64,793	1,985	653,425	(3,057)	650,368
Segment profit	1,872	5,818	2,807	625	11,123	(1,047)	10,075
Segment assets	137,197	150,308	57,676	13,150	358,332	16,375	374,708
Other items							
Depreciation	1,086	9,454	1,923	143	12,609	4	12,614
Amortization of goodwill	11	625	877	-	1,514	-	1,514
Investment in entities accounted for using equity method	1,667	-	-	-	1,667	-	1,667
Increase in property, plant and equipment and intangible assets	2,547	8,889	1,578	96	13,112	404	13,516

(Note) 1. Details of the adjustment are as follows.

- (1) The adjustment to segment profit of (1,047) million yen consists of intersegment eliminations of 459 million yen and corporate expenses of (1,507) million yen. Corporate expenses are mainly general and administrative expenses at administrative divisions of the head office that are not attributable to any reportable segment.
- (2) The adjustment to segment assets of 16,375 million yen consists of intersegment eliminations of (64,448) million yen and corporate assets of 80,823 million yen. Corporate assets are mainly surplus operating funds, long-term investment funds and assets related to administrative divisions of the head office that are not attributable to any reportable segment.

2. Segment profit is reconciled to operating profit in consolidated financial statements.
3. The increase in property, plant and equipment and intangible fixed assets does not include the amount of leased assets under IFRS 16 "Leases."

(Per-share Information)

	Previous Fiscal Year (April 1, 2024, to March 31, 2025)	Current Fiscal Year (April 1, 2025, to March 31, 2026)
Net assets per share	1,305.61 yen	1,435.09 yen
Basic earnings per share	118.00 yen	87.44 yen
Diluted earnings per share	-	-

- (Note) 1. Diluted earnings per share is not stated as there are no dilutive shares that have a dilutive effect.
2. In calculating “net assets per share,” the Company’s shares owned by the executive compensation BIP trust are included in treasury shares to be deducted from the total number of outstanding shares at the end of the fiscal year (1,281,000 shares in the previous fiscal year, and 1,922,000 shares in the fiscal year under review).  
In calculating “basic earnings per share,” the Company’s shares owned by the executive compensation BIP trust are included in treasury shares to be deducted in the calculation of average number of shares during the fiscal year (1,324,000 shares in the previous fiscal year, and 1,648,000 shares in the fiscal year under review).

3. The basis for calculating the amount of net assets per share is as follows.

	End of the Previous Fiscal Year (March 31, 2025)	End of the Current Fiscal Year (March 31, 2026)
Total net assets (million yen)	86,216	89,454
Amount to be deducted from total net assets (million yen)	94	16
(Non-controlling interests (million yen))	(94)	(16)
Net assets at the end of the fiscal year related to common shares (million yen)	86,122	89,437
Number of common shares at the end of the fiscal year used for calculation of net assets per share (thousand shares)	65,963	62,321

4. The basis for calculating earnings per share is as follows.

	Previous Fiscal Year (April 1, 2024, to March 31, 2025)	Current Fiscal Year (April 1, 2025, to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	7,986	5,618
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	7,986	5,618
Average number of common shares during the fiscal year (thousand shares)	67,684	64,250
Outline of dilutive shares not included in the calculation of diluted earnings per share because they have no dilutive effect	-	-

(Significant Subsequent Events)

(Business combination through share acquisition)

Acquisition of shares of Spandex Australia Holding Pty Ltd

At a meeting of the Board of Directors held on March 19, 2026, the company resolved that Spicers Australia Pty Ltd (headquartered in Melbourne, Australia), an operating company of Spicers Limited (headquartered in Melbourne, Australia, hereinafter referred to as "Spicers," a company with a December fiscal year-end), a consolidated subsidiary of the company, would acquire all shares of Spandex Australia Holding Pty Ltd (headquartered in Sydney, Australia, hereinafter referred to as "Spandex Australia") and make it a subsidiary, and has now acquired the shares of Spandex Australia.

(1) Overview of business combination

a) Name of the acquired company and details of its business

Name of the acquired company Spandex Australia

Details of business Import and sale of visual communication-related products

b) Reason for the business combination

Spandex Australia is a distributor with bases in Sydney, Melbourne, Brisbane, Perth, and Adelaide, providing visual communication products throughout Australia.

The company has established a solid position in the Australian market by offering a comprehensive lineup of visual communications products, including digital print media, adhesive films, vehicle wrapping films, and laminates, together with professional technical support and reliable distribution services.

This acquisition forms part of the strategy to drive the transformation of Spicers' business portfolio under the Group's Fourth Medium-Term Business Plan. By combining the market shares and customer bases of Spicers and Spandex Australia, we expect to strengthen business scale and market presence. In addition, increased procurement volume from suppliers is expected to enhance product proposal capabilities and procurement efficiency, thereby enabling stronger partnerships with global suppliers.

c) Date of business combination

April 1, 2026

d) Legal form of business combination

Acquisition of shares for cash consideration

e) Name of the combined entity

No change

(f) Percentage of voting rights to be acquired

100%

g) Main rationale for determining the acquirer

The Company's consolidated subsidiary is to acquire shares in exchange for cash.

(2) Cost for acquisition of the acquired company and type of consideration

Consideration for acquisition Cash 3,378 million yen (AUD 30.7 million)

Acquisition cost 3,378 million yen (AUD 30.7 million)

\* Acquisition cost and consideration are adjusted based on changes in working capital and net debt as of the transaction completion date.

(3) Amount of goodwill arising, cause of goodwill, method of amortization, and amortization period

Goodwill has not yet been determined.